weekly economic review

February 7, 2014

Labour Market

Job growth resumes to start the year

Alberta's labour market kicked off 2014 on a positive note by adding 6,600 jobs in January, helping to offset the decline in December. All the new positions were full-time, with gains concentrated in the private sector.

The province has been the largest source of job creation in Canada over the last 12 months. In January, there were 69,600 (3.2%) more people employed in Alberta compared to the same month last year. This represents about half of all jobs added in Canada over this period (see chart).

Thanks to Alberta's robust population growth, entry into the labour force has more than kept pace with job creation in the province. As a result, the unemployment rate has stayed roughly in line with its 10-year average over the last year. In January, Alberta's jobless rate was 4.6%, second lowest in the country after Saskatchewan.

Nationally, 29,400 positions were added last month, but still not enough to offset the 44,000 decline in December. Employment growth has been modest over the last 12 months, increasing by only 0.8%

Building Permits

Permit values jump again

Construction activity is poised to post further gains according to the latest data on building permits. The total value of permits in Alberta jumped 17.8% year-over-year (y/y) in December. Residential permits were the main source of growth, up 25.4% y/y, the largest increase since July. Non-residential permits were up 8.8% y/y, as industrial permits nearly doubled over the period. For the year as a whole, permits were up sharply, by 18.4% in 2013 over 2012 in Alberta. Nationally, permits climbed 12.8% over December 2012, as growth in residential permits strengthened. In 2013, national permits were flat over 2012 levels (-0.2%).

International Merchandise Trade

Exports continue to post strong gains

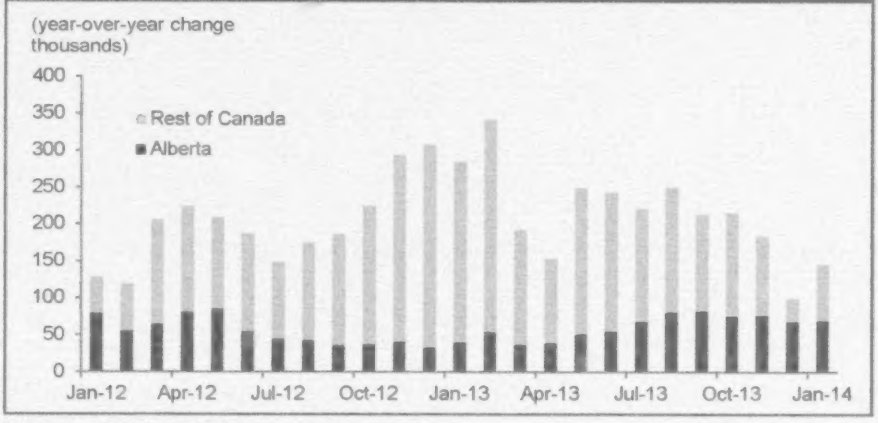
Exports surged in December, up 13.7% y/y primarily due to robust growth in energy exports. Energy products soared 20.3% y/y, aided by higher crude oil prices compared with the same month a year prior. Machinery (+4.7% y/y) also posted its first month of growth after four months of declines. In 2013 overall, Alberta exports (+6.9%) grew at nearly double the national growth rate (3.5%).

US Employment

US job growth underperforms for second straight month

US non-farm payrolls increased by 113,000 in January after creating only 74,000 jobs in December. The past two jobs reports have been weaker-than-expected and well below the average monthly job gains of 193,500 recorded in 2013. From the household survey, the US unemployment rate fell 0.1 percentage points to another five year low of 6.6%. The US unemployment rate has not posted a monthly increase since February 2012.

Employment Growth



Source: Statistics Canada

Closing Price	Jan 30, 2014	Feb 6, 2014	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	89.52	90.37	95.75
WTI Oil ($US/bbl)	98.23	97.84	98.74
NYMEX Natural Gas($US/MMBtu)	5.01	4.93	3.90

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Alberta Economic Indicators

Population	2012	2013YTD	2014YTD	Aug	Sept	Oct	Nov	Dec	Jan
Population (000's)	3,889	4,025	4,061	..	..	4,061	..	..	..
y/y % change	2.6	3.5	3.5	..	..	3.5	..	..	..
Net Interprovincial Migration[1]	27,652	52,677	10,269	..	..	10,269	..	..	..
Net International Migration[1]	40,842	52,551	16,436	..	..	16,436	..	..	..
Net Non-permanent Residents[1]	10,085	19,560	8,213	..	..	8,213	..	..	..
Labour Market									
NEW! Employment (000's), SA	2,149	2,211	2,243	2,231	2,236	2,235	2,246	2,237	2,243
y/y % change	2.6	2.8	3.2	3.8	3.8	3.5	3.5	3.1	3.2
NEW! Unemployment Rate (%), SA	4.6	4.6	4.6	4.8	4.4	4.5	4.7	4.8	4.6
NEW! Participation Rate (%), SA	73.4	73.1	72.8	73.5	73.1	73.0	73.3	72.9	72.8
Average Weekly Earnings ($), SA	1,072.98	1,108.34	..	1,110.83	1114.41	1126.96	1131.40	..	..
y/y % change	3.6	3.2	..	0.8	2.6	3.3	3.7	..	..
Price Indices									
Consumer Price Index (y/y % change)	1.1	1.4	..	1.4	1.3	1.0	1.7	2.1	..
Excluding food and energy	1.4	1.4	..	1.6	1.5	1.6	1.5	1.9	..
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.8	1.2	..	..	1.2	..	..	..	..
Farm Product Price Index (y/y % change)	6.3	4.4	..	2.5	2.5	..	..	..	..
Crops	6.7	4.7	..	4.2	6.0	..	..	..	..
Livestock	5.9	3.9	..	7.0	10.0	..	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	33.3	36.1	..	29.3	31.2	38.1	43.7	36.2	..
y/y % change	30.7	8.2	..	-1.0	-8.2	14.2	9.6	18.8	..
New Housing Price Index[3] (y/y % change)	1.6	2.8	..	3.3	3.1	3.0	3.1	..	..
Edmonton	0.9	0.5	..	0.8	0.2	0.3	0.0	..	..
Calgary	1.7	5.3	..	6.1	6.3	6.1	6.5	..	..
MLS Average Resale Prices ($ 000's)	362.0	380.2	..	388.0	383.2	380.8	387.8	388.5	..
y/y % change	2.6	5.0	..	7.0	7.5	3.9	5.2	4.7	..
Edmonton ($ 000's)	332.7	343.8	..	347.1	347.7	339.3	347.4	356.5	..
y/y % change	2.6	3.3	..	4.2	8.2	1.4	2.5	5.3	..
Calgary ($ 000's)	410.8	436.6	..	441.2	438.9	439.7	449.0	449.1	..
y/y % change	2.2	6.3	..	8.1	8.5	4.2	7.6	4.5	..
Retail Sales, SA (y/y % change)	6.9	6.5	..	5.9	6.5	6.7	6.8	..	..
New Motor Vehicle Sales (y/y % change)	10.5	6.1	..	7.0	2.1	6.5	5.3	..	..
Consumer Bankruptcies	5759	4405	..	379	375	383	323	..	..
y/y % change	-18.1	-18.6	..	-16.5	-10.9	-21.7	-23.1	..	..
Business Sector									
Rigs Drilling	250	235	392	239	251	239	233	259	392
y/y % change	-12.6	5.9	6.7	7.0	9.6	1.0	-9.8	-9.9	6.7
NEW! Goods Exports, customs based (y/y % change)	2.9	6.9	..	6.7	13.5	16.5	10.7	13.7	..
Energy	3.6	9.3	..	11.3	21.1	22.6	13.6	20.3	..
Farm, Fishing and Intermediate Food	20.6	8.2	..	-24.2	-27.5	-14.4	-3.6	-17.6	..
Farm Cash Receipts (quarterly, y/y % change)	14.1	2.1	..	..	-3.4	..	..	..	..
Manufacturing Shipments, SA (y/y % change)	3.4	1.3	..	7.7	1.4	6.1	7.1	..	..
Wholesale Trade, SA (y/y % change)	10.9	2.5	..	1.8	1.6	5.1	1.5	..	..
NEW! Building Permits, SA (y/y % change)	14.8	18.8	..	1.1	29.9	22.3	0.0	17.8	..
Residential	18.2	19.1	..	5.9	39.5	37.6	18.7	25.4	..
Non-residential	10.7	18.2	..	12.3	14.7	2.4	-20.4	8.8	..
Business Bankruptcies	230	123	..	7	13	15	8	..	..
y/y % change	12.9	-42.5	..	-30.0	-36.1	16.7	-46.7	..	..

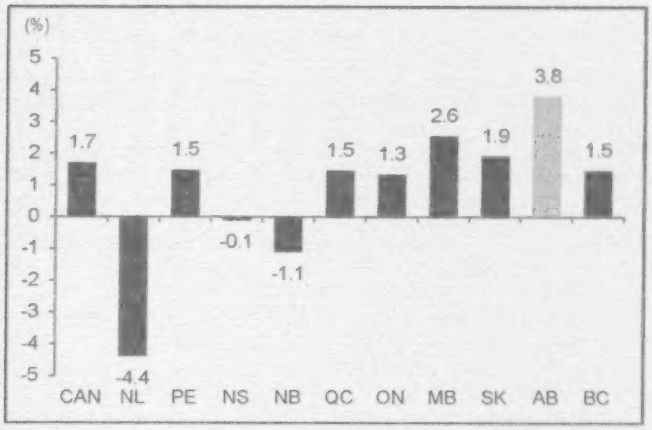
1 Quarterly, annual numbers are presented on a census year basis (July 1– June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the superintendent of Bankruptcy Canada).

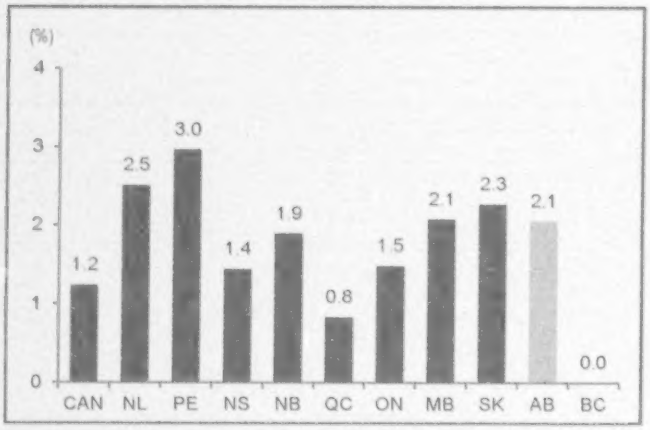
All historical data are subject to revision.

Economic Indicators by Province

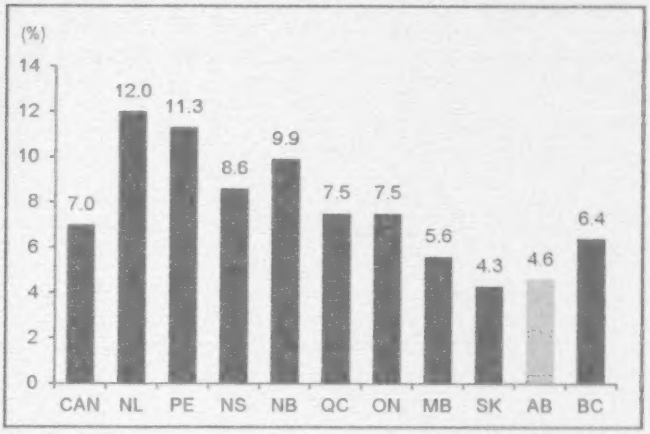
Real GDP at Market Prices
(2012, year-over-year growth)



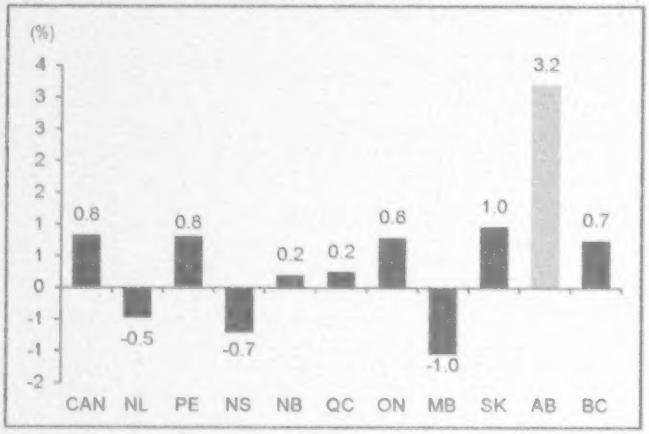
CPI Inflation
(December 2013, year-over-year growth)



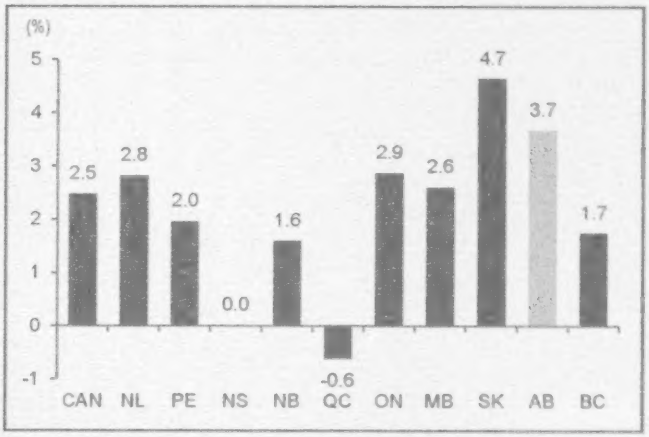
Unemployment Rate
(January 2014)



Employment
(January 2014, year-over-year growth)



Average Weekly Earnings
(November 2013, year-over-year growth)



Housing Starts
(December 2013, SAAR, year-over-year growth)